UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

Distributed on request
DP/PROJECTS/7206

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
ARGENTINA

IPF:(1992-96) $ 9 455 000

(ARG/90/005) - Support to Administrative Reform in the Municipality of Buenos Aires (Supplementary Assistance)

Date of approval by the AC:[1]	18 December 1991
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	Municipality of Buenos Aires
Government cost sharing:	$ 6 919 600
Previous UNDP contribution:	$ 599 200
Total UNDP budget:	$ 7 518 800

Project background

Argentina is currently in the midst of an intensive process towards the restructuring of its public sector at the central, provincial and municipal levels, commensurate with the macro-economic measures being introduced to ensure economic stabilization and, in the medium term sustained growth. This process is being fomented at all levels under the overall guidance of the Ministry of Economy.

Municipal administration in Argentina has traditionally been characterized by a heavily centralized model of public administration with a large and inefficient bureaucracy, sub-standard service delivery and inadequate response to the needs and interests of its population. As such, the Municipality of Buenos Aires exhibits the deficiencies of this model: more than double the number of public employees per inhabitant compared to other capitals of similar complexity; increase in municipal payroll from 56,000 in 1970 to 90,000 in 1990 with constant population base; and low proportion of professional to administrative jobs.

To this has to be added the global recession experienced by Argentina during the last few years which has compounded the problems experienced by the Municipality of Buenos Aires to sustain its administration. This is reflected in the fact that the income generation within the limits of the municipality has shrunk from 26 to 21 per cent of GDP over less than 20 years and thus forced the Municipality to increase taxes and revert to deficit-spending without concomitant increases in service delivery. In 1990, the Municipality requested the support of UNDP for the provision of technical assistance to transform its administrative structure through a process of decentralization and privatization with the aim of significantly increasing the effectiveness, efficiency and quality of municipal

[1] **This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.**

INDIANA UNIVERSITY

/...

services.To advance the project from the diagnosis and planning stage into the actual implementation of the administrative reform of the Municipality of Buenos Aires, the Government requested UNDP supplementary assistance under the present approval.

Description of project

The immediate objectives of the project are to: (a) support the process of transfer of all those activities that the Municipality will delegate to the private sector; (b) decentralize non-transferable services; (c) redefine the strategic role of the central administration of the Municipality; (d) modify the legal status of the City of Buenos Aires to provide it with a similar autonomy to that of any province in the country; and (e) implement territorial decentralization to bring the municipal services physically closer to the user, and administrative decentralization of municipal action to transfer decisions to autonomous Management and Result Units (MRU), devoted to the production of goods and services to meet the needs of the city's inhabitants.

Project activities will include: (a) transferring to the competent private agents of society the activities that may be carried out by them with greater efficiency and quality; (b) fulfilling essential roles, functions and activities that remain under its responsibility; (c) adopting a new management model based on results by which the different municipal suppliers of services will have accepted a commitment for attaining precise goals through programmes agreed upon with the Municipal administration; (d) establishing a transparent system for recruitment of new employees to the Municipal administration and services based on examinations and competitiveness ("SIMUPA"); (e) introducing scales and levels of remuneration that will permit the Municipality to retain its personnel; and (f) training a total of 14,000 Municipal staff in strategic positions to ensure the implementation of the process of decentralization and improvement in service delivery.

Inputs

UNDP will provide 30 work-months for a national project Co-ordinator, 146 work-months for a co-ordinator for each subprogramme (constitutional and administrative law; administrative systems and procedures; administrative decentralization at municipal level; and management control systems, with experience at municipal level); 723 work-months of national consultants in public policy and law, public sector institutional development, project evaluation, organizational analysis, social communication, design and planning of training programmes, computer systems design, public sector management control, constitutional and administrative law, building design and construction, administrative automation, human resources planning and development, cost-benefit analysis; administrative support; a subcontract in computing, related to the territorial decentralization component, group training, on-the-job training; computer equipment, equipment for upgrading municipal premises; and miscellaneous costs.

Financial data

	$
Personnel	1 607 400
Subcontract	324 000
Training	3 586 000
Equipment	1 337 000
Miscellaneous	65 200
Total	6 919 600